

Securing Our Future with *People, Process and IT Tools* ©

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Chief Security Officer *and*

Co-Chair DuPont Trade Secret Risk Management Network



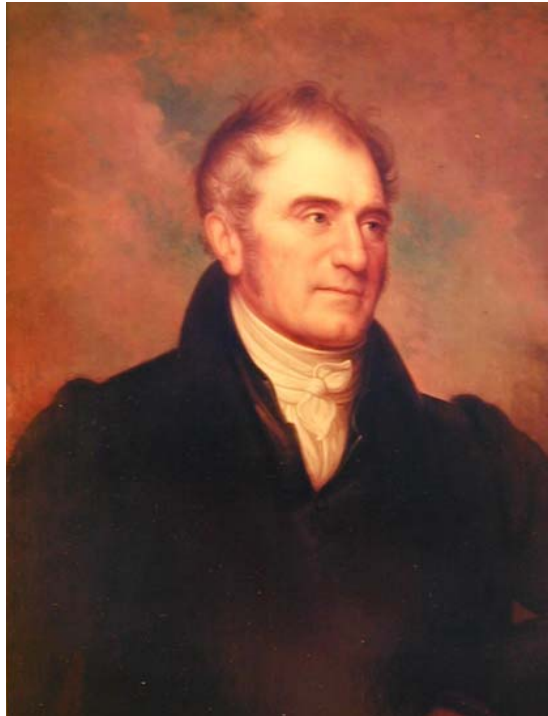
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Corporate Espionage & Global Security Seminar on Protecting Your Business Interests
February 25, 2010



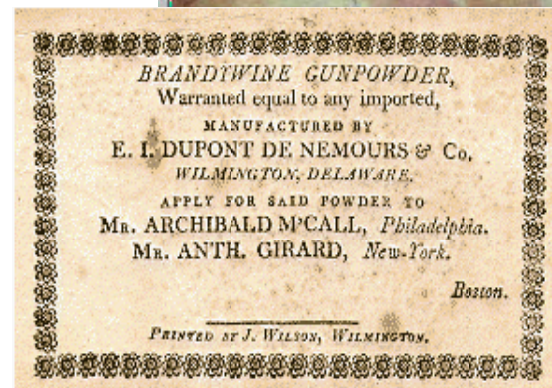
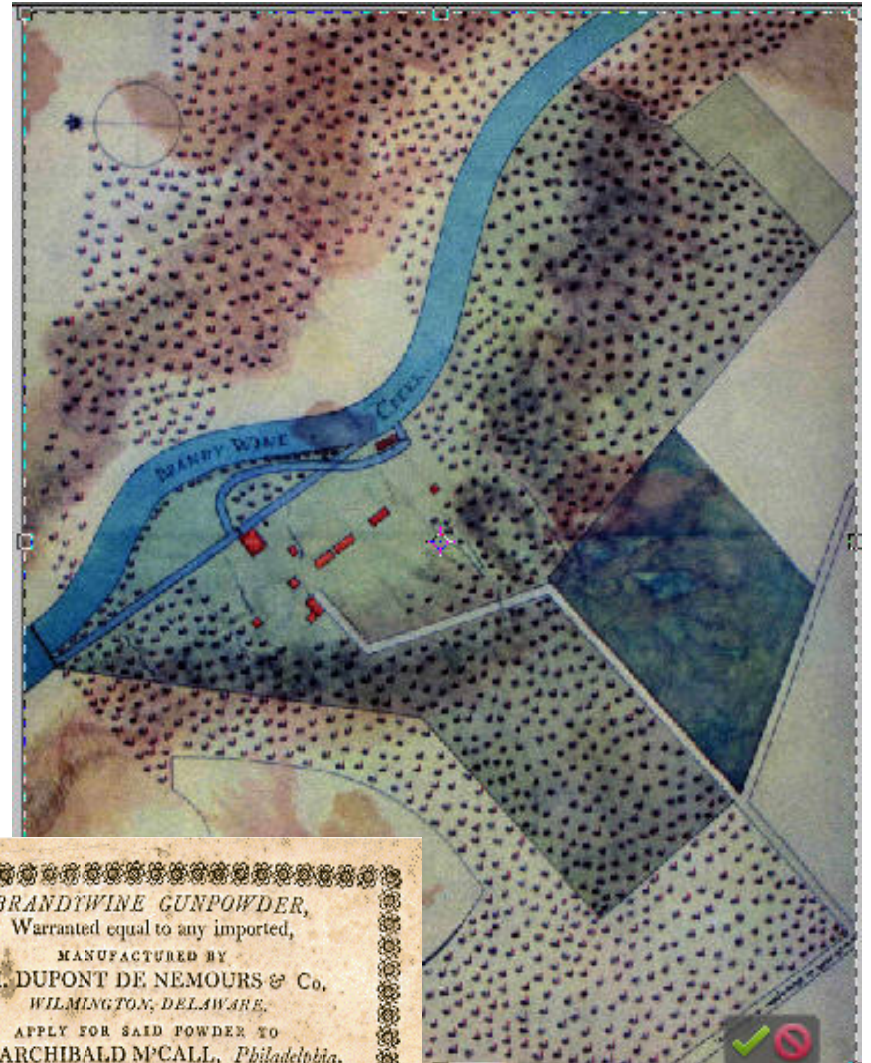
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DuPont is founded in 1802



E. I. du Pont de Nemours

Powder mills built on 96 acres alongside the Brandywine river in Wilmington, Delaware.



Then ...



Now ...



- Pioneer Hi-Bred
- Crop Protection
- Nutrition & Health



- Protection Technologies
- Building Innovations
- Safety Resources



- Electronics & Communications



- Applied BioSciences



- Performance Polymers
- Packaging & Industrial Polymers



- Titanium Technologies
- Fluoroproducts
- Chemical Solutions



- Performance Coatings



The DuPont Vision

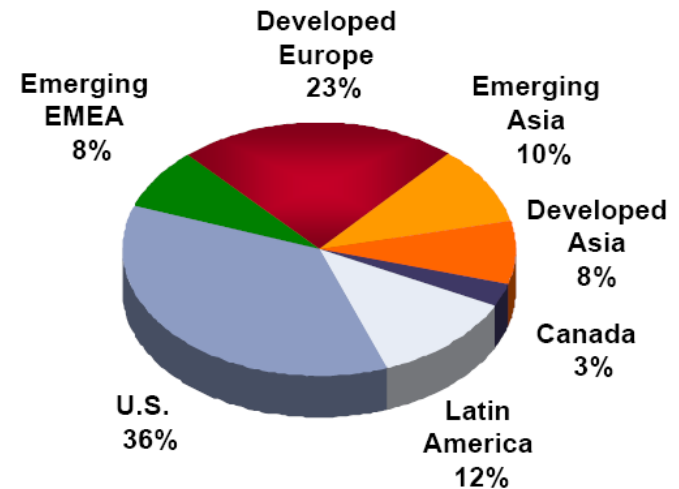
To be the world's most dynamic science company,
creating sustainable solutions
essential to a better, safer, healthier life for people everywhere.



DuPont A Market-driven Science Company

- 2008 Revenues: **\$30.5** billion
- Employees: **60,000** worldwide
- Global: operating in more than **70** countries worldwide

2008 Sales Distribution



Global Technology Centers



R&D: More than **40** research and development and customer service labs in the United States and more than **35** labs in **11** other countries.

World of Opportunities in a World of Risk

Political Instability

Terrorism

Crime & Fraud

Economic Instability

Insider Threats

Economic Espionage

Cyber Threats

Natural Disasters

Kidnapping

Counterfeiting



Protecting DuPont Trade Secrets

Our Trade Secrets are the foundation of our company.

In a market-driven science company our know-how and trade secrets differentiate us from our competitors.

Next to our employees—our trade secrets are our most valuable assets.

Protecting our trade secrets is critical to the success of our company as we continue to work in challenging times.



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The reality

**Theft of a company's Trade Secrets can
happen at any time**

Trade Secret Theft is a Growing Trend...



Arlington Heights man accused of stealing trade secrets

Valspar worker had downloaded files without authorization, FBI says

By Kristen Kridel, Chicago Tribune March 28, 2009



Chinese National Charged with Stealing Ford Trade Secrets

DETROIT, Oct. 15 /PRNewswire-USNewswire/ -- A federal indictment was unsealed late yesterday in Detroit charging Xiang Dong Yu, aka Mike Yu, 47, of Beijing, China, with theft of trade secrets, attempted theft of trade secrets and unauthorized access to a protected computer, announced Terrence Berg, U.S.

Attorney for the Eastern District of Michigan.



Man Charged in \$1B Intel Trade Secrets Case

Ex-Intel Engineer Allegedly Stole Documents on Next-Generation Microprocessor

By JASON RYAN Nov. 6, 2008 ABC News



Ex-Home Depot Manager Faces Theft Charges in Ga.

Ex-Home Depot manager charged with divulging Georgia-based retail giant's trade secrets

ATLANTA November 6, 2009 (AP) The Associated Press

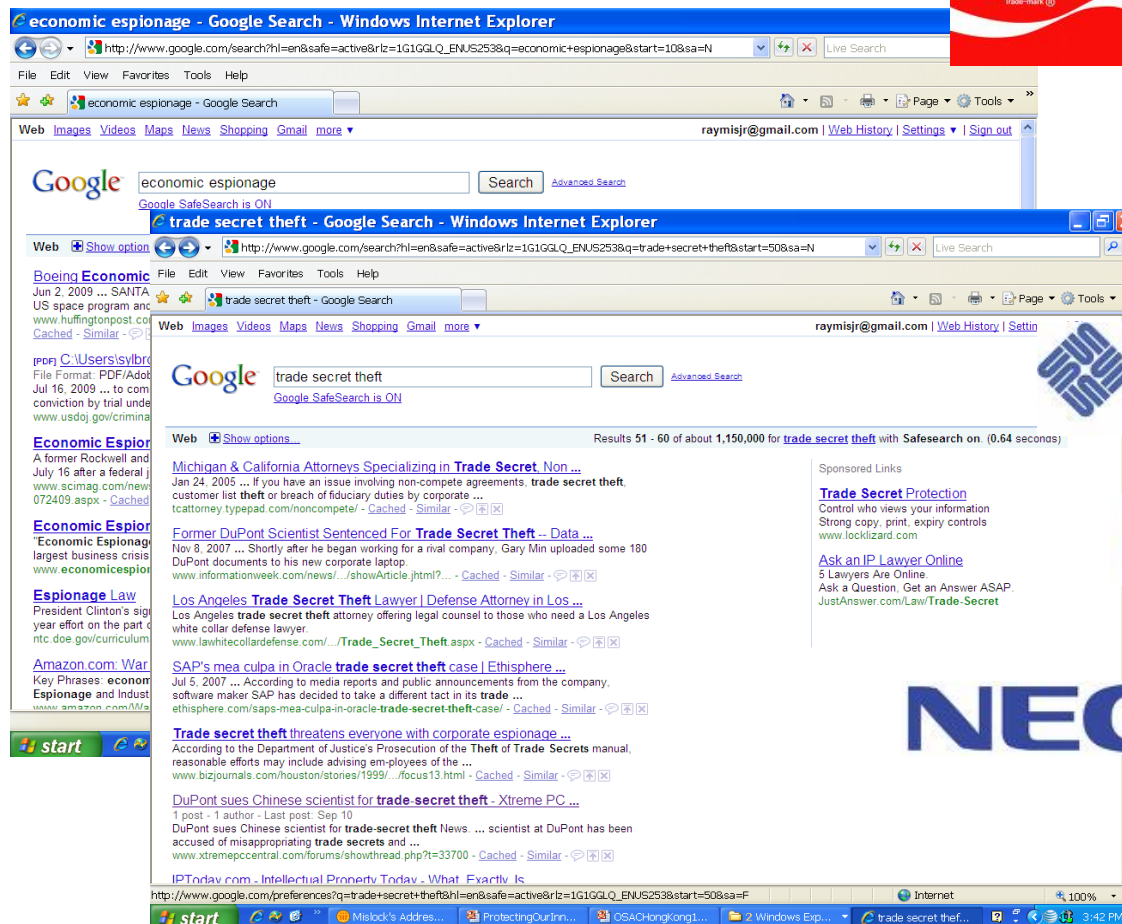


Hilton Sued by Starwood Over Claims of Trade-Secret Theft

By Joel Rosenblatt April 17 (Bloomberg) -- Hilton Hotels Corp. was sued by Starwood Hotels & Resorts Worldwide Inc., the third-largest U.S. lodging company, over claims it stole trade secrets to improve its luxury brands.



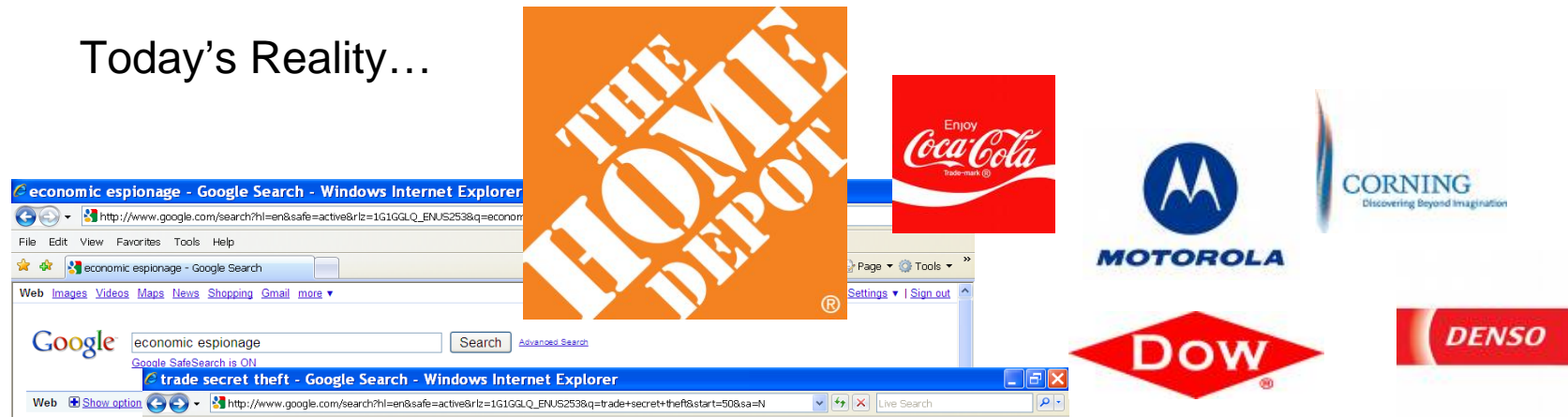
Today's Reality...



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Today's Reality...



Not Just Technical Trade Secrets

In recent Home Depot case - Senior Manager of Product Engineering plead guilty to theft of trade secrets - including pricing and profitability spread sheets and documents related to product line reviews.

He confessed to giving a vendor confidential pricing information during a product review in May 2008 and was also negotiating an employment agreement with the vendor at the time.



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Today's Reality...

\$1 Trillion

“...estimated dollar loss that Dennis C. Blair, the Director of National Intelligence referenced in the Annual Threat Assessment of the Intelligence Community for the Senate Select Committee on Intelligence for intellectual property and data theft in 2008 for (US) businesses globally”.



Reality: *It Can Happen to Any Company*



Trade case reads like spy thriller

Former DuPont scientist admits
he tried to steal company secrets

February
2007



Reality: *It Can Happen to Any Company*



Gary Min, aka Yang Gong Min

- Naturalized US Citizen – Born in PRC
- DuPont Research Chemist since 1995
- Worked at Circleville, Ohio site and accessed sensitive database in Wilmington, DE
- Became “disgruntled” in 2005 after returning to Ohio from Taiwan
- Decided to leave DuPont summer 2005 – started job search
- Gains access to EDL summer 2005
- Begins discussions with Victrex PLC in July 2005
- Access to EDL increases significantly after discussions begin with Victrex
- October 2005 signed employment agreement with Victrex but does not tell DuPont
- December 2005 internal inquiry begins, FBI notified
- EDL access dramatically increases – becomes most prolific user ever
 - Approximately 22,000 abstracts
 - 16,700 documents – over 4,000 full text PDFs
 - 15 times the number of the next highest user of EDL
- February 2006 FBI serves search warrant on residence, apartment, and storage area
- FBI recovers “terabytes” of data and boxes of DuPont documents – lab equipment
- Pled Guilty to 1 Count T 18, S 1832 – Sentencing scheduled for July 26, 2007



Reality: *It Can Happen to Any Company*



May
2007

Ex-Coke aide gets 8 years in trade secrets case.

With Permission of Coca-Cola Company



Reality: *It Can Happen to Any Company*



Joya Williams

- Co-Conspirators – Ibrahim Dimson and Edmund Duhaney
- May 2006 - Letter sent to PepsiCo offering to sell formula for Coke for unspecified payment
- PepsiCo immediately notifies Coca-Cola of the offer
- Coca-Cola notifies FBI and criminal investigation and internal inquiry begins
- FBI initiates undercover operation with Coca-Cola cooperation
- Joya Williams is Administrative Assistant to Senior Executive in Coca-Cola Global Brand Team with access to sales and marketing information, new products and trade secrets
- Joya Williams has access to boss' e-mail in order to perform her job requirements
 - She prints out copies of sensitive documents for her boss – and one for herself
 - She puts documents in handbag and walks them out of the office daily
 - She approaches associates Dimson and Duhaney who had just been released from prison
- Dimson and Duhaney arrested in FBI sting
- FBI search of the suspects' residences (Atlanta and New York) recovers thousands of pages of Company documents
- Dimson and Duhaney plead guilty – sentenced to 2 years and 5 years, respectively, and \$40,000 fine each
- Williams goes to trial – convicted and sentenced to 8 years in prison and 3 years probation

Where is your company's Intellectual Property?



Where are your company's Trade Secrets ?



**Where is your Intellectual Property...?
Where are your Trade Secrets?...???**

How many laptops is it on? PDAs? Blackberries? Is the data encrypted?

Do you know how many data bases with trade secrets are in your Company?

Where Do You Begin ?



What access controls do you have on those Data bases?Who audits for Export Compliance?... Who monitors for employees surfing beyond their area of research or responsibility? ? ? ?

Is it on a server? ... How many? ...Where are they?

Who maintains your servers? Your network?

Do you even know what you have?



First Step

What do you have?

Where is it located?

What is a Trade Secret?

Technical Trade Secrets

*R&D development plans and strategies ...
product and process drawings reports and
analysis research notebook records
patent applications new product concept and
projects secret formulas designs
computer passwords source codes.....*

Business Trade Secrets

*Strategic plans business methods
customer and vendor information pricing and
cost information marketing information
sales, financial, and administrative data used by
a business*

Why are Trade Secrets important?

- Inventions create a competitive advantage
- Years to create and invent
- Large financial investment
- Growth in high risk emerging markets
- Collaboration with external companies

Trade Secret Protection – Best Practice

Tactical Response

- Investigations
- Litigation
- Aggressive
- When possible – Public

***Reactive:
Occurs after an event***



Strategic Response

- Take ownership of Company Intellectual Property
- IT Solutions
- Education & Awareness
- Process & Procedures

***Sustainable:
Changing the culture***

Both components are necessary to protect Trade Secrets.

DuPont's Approach

The Compliance Framework.....

7+ Steps of an Effective Compliance Program

1. Written policies and procedures
2. High-level responsibility
3. Care in delegation of authority
4. Effective training
5. Auditing, monitoring, reporting
6. Consistent enforcement
7. Response to violations
- 7+. Regular Risk Assessment

Highlights:

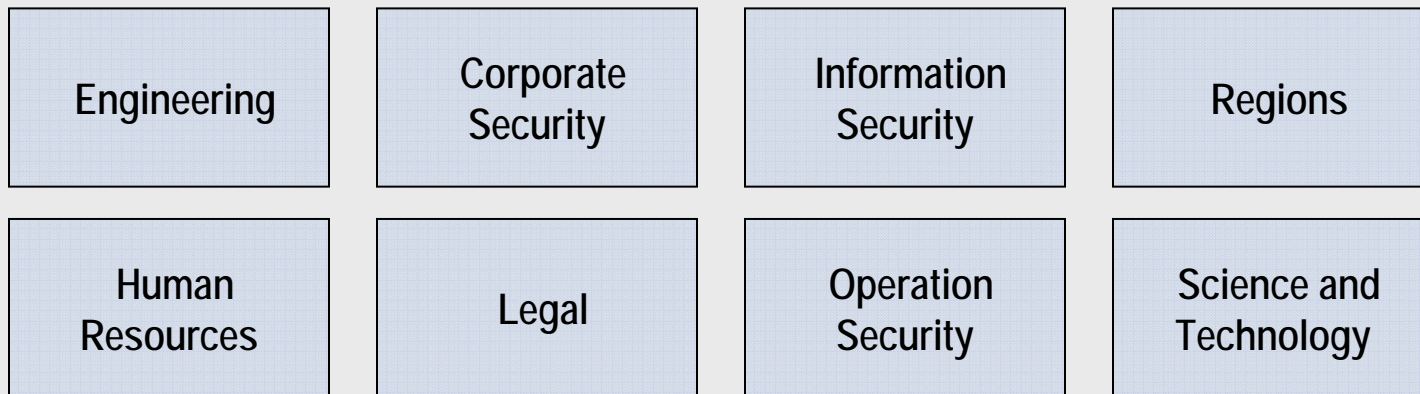
- Creation of Corporate Policy
- Established Steering Team
- Clear Process Owner assigned
- Risk Manager assigned
- Internal training for employees
- Identification of "Crown Jewels"
- Clear responsibility developed for all key groups (Corp Security, Audit, Site Security, Legal, Business Units)

DuPont's Approach - Governance

Trade Secret Sponsor Team

Senior VP (HR, Research, Legal)
VP (Engineering, IT, Audit)

Trade Secret Steering Team



Trade Secret Network of Risk Managers

Business, Functions, Regions

Implementation of Trade Secret Program

Implementation Steps

Inventory
“Crown
Jewels”

Preliminary
Screening

Exposure
Assessment
• *Physical*
• *Electronic*

Remediation
• *Physical*
• *Electronic*

Annual
Reassessment
• *Physical*
• *Electronic*

Foundation to Trade Secret Protection

The DuPont Trade Secret Policy



the time for you to take action is **now**
join the team to protect DuPont Trade Secrets

DuPont is a market-driven science company...
We rely on our trade secrets to be successful. Protecting them is critical to our success today and to the future of our company. We must create a culture of trade secret protection in the Company. Every DuPont colleague must be a part of that culture.

DuPont Trade Secrets Policy questions?
If you have questions about what is a trade secret, why it's critical to protect them, and how to do that, review the DuPont Trade Secrets Policy or ask your Trade Secret Risk Manager. Search for "Trade Secrets Policy" or "Trade Secret Risk Manager" with Google™ for DuPont at <http://google.es.dupont.com>.

Remember trade secrets equal cash, competitive advantage, shareholder value and jobs!

- Report anything suspicious that you observe dealing with DuPont Trade Secrets
- Something that you report could prevent the loss of a highly valuable trade secret
- Report all thefts or attempted thefts of DuPont Trade Secrets
- Trust your instincts. Err on the side of caution, remembering that it's better to over report than to under report
- Misappropriation or improper disclosure of a DuPont Trade Secret should be promptly reported to DuPont line management, to DuPont Information Technology — DISO, and where appropriate, to the Vice President and General Auditor, the Chief Security Officer, and the Global Security Manager — Operations Security.

our trade secret protection is in your hands

 **DU PONT**
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“It is DuPont policy that employees must be acutely aware of trade secrets around them, they must take measures to effectively maintain DuPont trade secrets, and they must treat the trade secrets of others properly.’

“A **trade secret** is any information that derives independent economic value from not being generally known or readily ascertainable in the trade or industry to which it applies.”

“Compliance with this policy is a condition of employment for DuPont employees”.

DuPont Trade Secrets Policy

Procedures

1.0 Identification of Trade Secrets

2.0 Classification of Information

3.0 Maintaining Trade Secrets

3.1 Publications and Presentations

4.0 Employees

4.1 Hiring Process

4.2 New Employees

4.3 Employee Awareness

4.4 Departing Employees

5.0 Third Parties

5.1 Confidentiality Agreements

5.2 Visitors

5.3 Contracts

5.4 Business Relationships

5.5 Incoming Confidential Information

6.0 Conclusion



DuPont's Trade Secret Protection Network

Trade Secret Protection Tool Kit

Classify - Protect - Report

DuPont Information Security Organization: Trade Secret Protection Toolkit - Windows Internet Explorer

http://www2.lvs.dupont.com/diso/web.asp?page=20858&title=Trade%20Secret%20Protection%20Toolkit

File Edit View Favorites Tools Help

DuPont Information Security Organization: T...

DuPont Information Security *The miracles of science™*

Search DISO Go **DISO Home** **E-PASS** **DISO University**

DISO
DISO.DUPONT.COM
DUPONT INFORMATION SECURITY ORGANIZATION

Contact Search Advanced
By SBU: Go
Or Site: Go

Trade Secret Protection Toolkit

What You Need to Know

- Training & Awareness Info
- Giveaways
- Information Security News
- Trade Secret Protection Toolkit
- Securing Our Future: Classify-Protect-Report
- DISO University
- Spam Central
- Awareness Posters
- Information Security Tip Sheets
- Qualys Vulnerability Scanning
- Social Engineering
- Exhibit
- Video Library

a trade secret is like a tree
it needs protection or it could be gone forever

DISO Help
Emergencies (24/7):
Ducom 774-2200
302-774-2200
Routine DISO Inquiries:
Ducom 366-3333
302-366-3333

DuPont is a market-driven science company. Our proprietary information and trade secrets differentiate us from our competitors. We know that individuals and other organizations seek to acquire our proprietary technology, sometimes by improper means. The threat is real, and all of us must be vigilant. The materials in this toolkit have been created to help develop a trade secret protection program within an organization. There are also materials designed to raise awareness about the importance of protecting DuPont proprietary information to the success of our company, and of

Local intranet 100% 1:01 PM

a trade secret is like a tree
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What is a trade secret?

- A trade secret is any information that derives independent economic value from not being generally known or readily ascertainable in the trade or industry to which it applies.
- A trade secret has no time limit; it lasts as long as it remains secret.
- Business and technical information is a trade secret where the information has value to the owner, is not publicly known, and necessary steps have been taken to keep the information secret.
- A trade secret gives its owner an opportunity to obtain an advantage over competitors who do not know or use the secret.

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Securing Our Future with People, Process and IT Tools ...and ...Investigations



Securing Our Future: Trade Secret Protection Tools

Trade Secret Incident Investigation Process

June 1, 2009



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Mislock — Johar — Palmatary — Clarke

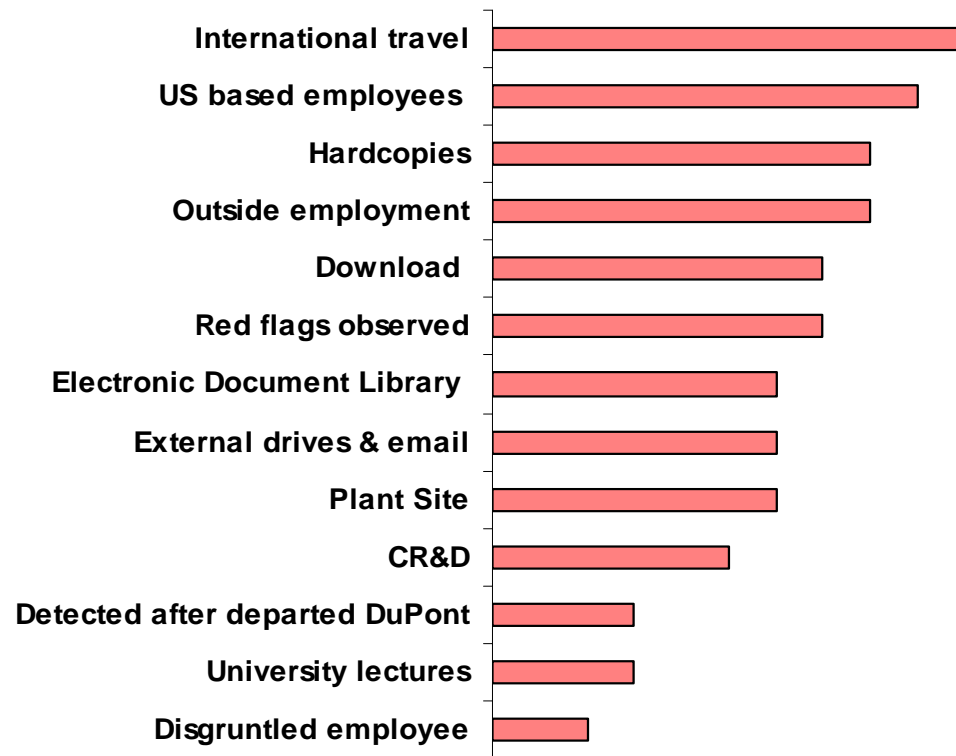


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DuPont Confidential

DuPont Cases and Learnings To-Date

Common Elements



Learnings about Red Flags

- Frequent travel to high IP risk countries
- Change in employee behavior
- Unexpected resignation or retirement with refusal to disclose future plans
- Plan to work for a competitor, either as an employee or as a contractor
- Involuntary separation from the Company

Management awareness of trade secret risks and alertness to red flags is key.

Advanced Electronic Security Technology

New Technologies

- “Information Leak Prevention” or ILP
- “Digital Rights Management” or DRM

Objective

- Control the ways in which data can leave our realm of control wherever it is used, stored, or transmitted.

Design Goals

- Maintain open culture of collaboration.
- Minimize productivity impact (ideally, zero) on end users.
- Rapidly detect and notify asset owners of suspected attempts to remove data.
- Provide automatic enforcement to close known methods of data theft.
- Minimize effort of asset owners and custodians in safeguarding Company Trade Secrets.

Could I Get Into Trouble By inadvertently Making A Mistake?



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Incidents at DuPont have not been a matter of making simple, or unintentional mistakes in handling confidential information.

Incidents did not occur because employee misunderstood company policy and procedures necessary to protect Company trade secrets.

Incidents have been willful acts of theft of proprietary information for personal gain.

What are Other Companies Doing: Some Examples*

* From ISMA Benchmarking - 89 Companies - November 2009

Policy & Training

- Practice “Need to Know”
- Annual certification to Code of Conduct, including information security policy
- Special training on trade secret protection

People Processes

- Non-compete or confidentiality agreements before giving access to most sensitive trade secrets
- Extensive background checks before access to most sensitive trade secrets

Travel Procedures

- Pre-travel approval of materials to be shared externally
- Routine or random post-travel debriefing
- Routine or random post-travel laptop checks for malware and/or USB usage

IT Tools & Procedures

- Laptops encrypted
- Data Loss Prevention Tools Deployed

What we need from Leadership and Managers...

Your Personal Support and Visible FELT Leadership in:

- Communicating to your organization about the importance of trade secrets protection.
- Getting periodic updates from your Trade Secrets Risk Manager, Technical Director, and/or Operations Business Leader on the following:
 - Most sensitive assets in your business: what, where and up-to-date?
 - Remediation progress, timeline for completion, and any barriers you can help remove.
 - Status of implementation of Data Loss Prevention tools and support needed.
 - Level of education and awareness of trade secrets protection in your business
- Finding opportunities to talk about trade secrets protection as a competitive advantage for your specific business or organization.
- Feedback and ideas from you and your organizations on how we can continually strengthen our efforts to protect our trade secrets.

Questions?



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